

Notice No.: 85-010
Date: August 9, 1985
Applies to: State Employers
Subject: Annual Leave Cash Out

During the 1985 session, the legislature amended the statutes governing annual leave for state employees to permit a cash out of leave accrued under RCW 43.01.044 in excess of 30 days. Chapter 292, Laws of 1985, effective July 28, 1985, amended RCW 43.01.041 in the following manner:

Officers and employees referred to in RCW 43.01.040 whose employment is terminated by their death, reduction in force, resignation, dismissal, or retirement, and who have accrued vacation leave as specified in RCW 43.01.040 or 43.01.044, shall be paid therefor under their contract of employment, or their estate if they are deceased, or if the employee in case of voluntary resignation has provided adequate notice of termination. Annual leave accumulated under RCW 43.01.044 is not to be included in the computation of retirement benefits.

For retirement purposes only, leave in excess of 30 days accumulated under the provisions of RCW 43.01.044, if cashed out, shall not be reported to this department as compensation and no employer or employee contributions are to be submitted for such cash outs.

On the other hand, leave in excess of 30 days accumulated under the letter of necessity provisions of RCW 43.01.040, if cashed out, shall be reported to this department as compensation and both employer and employee contributions are to be submitted for such cash outs.

If you have reported cash outs which are not in accord with the above policy or if you need further information on this subject, please call Al Leicht at (206) 753-2220 or SCAN 234-2220.

Robert L. Hollister, Jr.
Director